[Mr. K. N. Ramasubba Aiyar.]

REVISED ESTIMATES FOR 1102.

3. The **revenue** and **expenditure** which stood at Rs 211·58 and Rs 207·96 lakhs respectively in the last Budget, are now expected to stand at Rs **229·52** and Rs **205·45** lakhs respectively. The **revenue surplus** goes up from Rs 3·62 lakhs in the Budget to Rs **24·07** lakhs according to the revised figures for the year. This surplus, it will be seen, exceeds even the last year's record. Excise, Customs, Land Revenue, Stamps, Registration and Engineering receipts, all contributed substantially to the increases in the Revenue, the figures of increases being nearly four lakhs under Excise, two and a half lakhs under Customs, nearly a lakh each under Land Revenue, Stamps and P. W. D. tolls and about half a lakh under Registration. In regard to the increase in our Customs revenue, it should be stated that consequent on the abolition of export duty on tea by the Government of India, we shall not have to pay to them a moiety of the export duty levied by us in respect of Travancore tea shipped from British Indian ports. We have also had to extend our export duty on tea to exports for consumption in British India, which were till then exempt from our tax. This imposition of duty on tea exported for consumption in British India at the same rate as on tea exported outside was necessary since, after the abolition of the duty in British India, the Government of India could not be expected to ensure for us that Travancore tea exported from British Indian ports would pay us the proper export duty which would have been payable if the tea had been directly exported to a foreign country from our own ports. One other factor contributed to a formal increase in the revenue. We purchased Rs 60 lakhs of Government of India Four Per Cent. 1960–70 Securities and, as our surplus investments are shown in the accounts at their face value, the difference between this figure and the actual cost price appears as a revenue receipt in our accounts. As the average purchase price was B. Rs 89-4-6 per cent., the difference which appears as premia on the purchase amounted to about six and a half lakhs of rupees. The Government Promissory Notes received by us are being converted into the special form for securities which are the property of the State and on which income tax is not payable to the Government of India.

4. On the expenditure side, there is a net saving of Rs 2·5 lakhs—the Education Department contributing Rs 1·29 lakhs and the P. W. D. Rs ·57 lakh. An excess of Rs ·54 lakh appears under 'Palace' on account of increased expenditure on the Tirumadampu ceremony of His Highness the Maha Raja.

5. Turning to the capital section, sale proceeds of Government lands are expected to yield Rs 4·75 lakhs against the budgeted figure of only Rs 4 lakhs and the capital expenditure

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is expected to fall short by Rs ·35 lakh. In the result, we expect a **net increase** of Rs **28·2** lakhs **to** our **surplus balances** so that the current year should leave us with a **closing balance** of Rs **131·57** lakhs.

BUDGET ESTIMATES FOR 1103.

6. I now proceed to give our Budget Estimates for the coming year. Our **revenue** is expected to stand at Rs **223·21** lakhs and the **expenditure** proposed is Rs **221·78** lakhs. This will leave us with a small **revenue surplus** of Rs **1·43** lakhs. Our capital receipts in the next year are expected to amount to Rs 5·5 lakhs and the proposed programme of **capital expenditure** stands at Rs **21·82** lakhs. In the result, we shall be drawing on our accumulated surplus to the extent of Rs 14·89 lakhs ; but as this is only for our commercial undertakings, it would perhaps be more accurate if I referred to this drawing as an avoidance of debt than as a spending from the surplus accumulations. A moderate reserve is, of course, essential and as our balance at the close of the next year is expected, after this programme of capital expenditure, to stand at Rs 116·69 lakhs, I trust we shall still have an adequate reserve in our hands.

REVENUE.

7. I have stated that the budgeted revenue in the next year is Rs 223·21 lakhs. Our current year's revenue, however, is expected to be Rs 229·52 lakhs; so that for the next year our forecast is Rs 6·31 lakhs *less*. This decrease need not however occasion any uneasiness. In dealing with the revised estimates of the current year I referred to the large purchase of Government of India Securities which resulted in a figure of nearly Rs 6·5 lakhs being shown as additional revenue in this year's accounts. We have no programme in the coming year for any similar purchase of securities on a large scale. As, however, we shall be earning some more interest than in the current year on the larger stock of securities that we now hold, the net result is a reduction under 'interest and premia receipts' by only Rs 4·18 lakhs as compared with the current year's revised figures. The other variations are under the following heads.

	Budget better.	*Budget worse.*
	(in lakhs of rupees.)	
Land Revenue ...	...	·54
Income tax ...	·54	...
Excise ...	...	1·85
Customs ...	...	·54
Mint ...	·56	...

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